

April 18, 2007

Kevin Walsh
Vice President Operations
Waterford 3
Entergy Operations, Inc.
17265 River Road
Killona, LA 70066-0751

SUBJECT: WATERFORD STEAM ELECTRIC STATION, UNIT 3 - NRC MATERIAL
CONTROL AND ACCOUNTING PROGRAM INSPECTION REPORT
05000382/2007202

Dear Mr. Walsh:

On January 29 - February 1, 2007, the U.S. Nuclear Regulatory Commission (NRC) conducted a material control and accounting (MC&A) inspection at the Waterford Steam Electric Station, Unit 3. The inspection was conducted under Phase III of Temporary Instruction 2515/154. The enclosed inspection report documents the inspection findings, which were discussed during a preliminary exit meeting on February 1, 2007, with Ms. Kimberly Cook and other members of your staff. A supplemental exit meeting to discuss the final results of this inspection was held by telephone on March 22, 2007.

The inspection examined activities conducted under your license as they relate to safety, security, and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed storage of special nuclear material in the spent fuel pool, and interviewed personnel. Areas examined during the inspection included physical inventory and accounting records.

Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements occurred concerning failure to keep adequate records of all SNM in your possession. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Website at www.nrc.gov; select What We Do, Enforcement, then Enforcement Policy. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding the violation are

When separated from the Enclosure, this document is DECONTROLLED.

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described in detail in the subject inspection report. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

Additionally, one licensee-identified violation is listed in this report. The NRC is treating this violation as a non-cited violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy, because of the very low safety significance of the violation and because it is entered into your corrective action program. If you contest this NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region IV; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Waterford Steam Electric Station, Unit 3.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from NRC's document system ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information - Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system ADAMS. ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, this letter's enclosure will not be available for public inspection.

Should you have any questions concerning this report, please contact Martha Williams at (301) 415-7878 or Dori Votolato (301) 415-7633.

Sincerely,

/RA/

Ralph Costello, Acting Chief
Reactor Security Oversight Branch
Division of Security Operations
Office of Nuclear Security and Incident Response

Docket No. 50-382
License No. NPF-38

Non-Public Enclosures:

1. Notice of Violation
2. MC&A Inspection Report 05000382/2007202

cc: Attached list

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cc w/enclosure:

Richard Penrod, Senior Environmental
Scientist, State Liaison Officer
Office of Environmental Services
Northwestern State University
Russell Hall, Room 201
Natchitoches, LA 71497

cc w/o enclosure:

Executive Vice President and
Chief Operating Officer
Entergy Operations, Inc.
P.O. Box 31995
Jackson, MS 39286-1995

Vice President, Operations Support
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Director, Nuclear Safety Assurance
Entergy Operations, Inc.
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Killona, LA 70057-3093

Official Use Only-Security-Related Information

K. Walsh

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cc: see page 3

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Log-In #XXXX

OFFICE	DSO/RSOB	E	DSO/RSOB	E	RIV	E	DSO/RSOB	N
NAME	DVotolato		MWilliams		MShannon		RCostello	
DATE	04/16/2007		04/16/2007		04/13/2007		04/18/2007	

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